YADKIN COUNTY BOARD OF COMMISSIONERS
RECESSED/BUDGET WORK SESSION/RETREAT MINUTES
Wednesday, February 23, 2011

The Yadkin County Board of Commissioners met for a budget work session on Wednesday, February 23, 2011 at Marriott Courtyard Hanes Mall, 1600 Westbrook Plaza Drive, Winston-Salem, North Carolina.

Present were:
Chairman Kevin Austin
Vice Chairman Frank Zachary
Commissioner Gilbert Hemric
Commissioner David Moxley
Commissioner Marion Welborn

Staff present: County Manager, Aaron Church; Assistant County Manager/Finance Officer, Lisa Hughes; and Deputy Clerk to the Board, Tanya Gentry.

Chairman Austin called the meeting to order at 8:15am.

The Board discussed the following matters:
1) Budget Ordinance. The auditors have recommended that Yadkin County use departmental budgeting instead of functional budgeting. With functional budgeting, the departments are grouped into functions (General Government, Public Safety, Human Services, etc) and a budget is assigned to each function. With departmental budgeting, each department is assigned its own budget. The Board consensus was to use departmental budgeting. Other items the Board had consensus on were:
   a. The Manager's authority on budget amendments is to transfer funds between line items in the same department without Board oversight.
   b. The amount of money that the Manager can transfer without Board oversight will remain at $1,000.00.
   c. The Manager does not have the authority to execute new contracts and the Manager does not have the authority to renew contracts.
2) Budget Revenue. For a flat budget, a conservative preliminary estimate is approximately $3.8 million would need to be appropriated from the fund balance to balance the budget. For a 5% cut, a conservative preliminary estimate is approximately $1.9 million would need to be appropriated from the fund balance to balance the budget. For a 10% cut, a conservative preliminary estimate is approximately $50,000.00 would need to be appropriated from the fund balance to balance the budget. The Board consensus was to have County Manager Church bring back approximately a 6% cut.
3) Budget Expenditure. The preliminary expenditure projection for a flat budget is $36,963,666.00; for a 5% decrease it is $35,115,483.00; and for a 10% decrease it is $33,267,300.00. Additional costs for the FY11-12 are the State mandated purchasing of school buses, the cost of paying the teachers' workers compensation, and the cost of implementing the pay and classification plan. The annual cost of the school buses will be approximately $300,000.00 and the annual cost of providing teachers with workers compensation will be approximately $73,000.00. The pay and classification plan implementation, if adopted by the Board, will cost from $150,000.00 to $300,000.00.
4) Budget Process. The Board consensus was for the budget meetings to be manager centered meetings like they were last year.

5) Tax Rate/Fees. The current consensus is to keep the tax rate the same. The fees County departments charge needs to be reviewed.
6) The Fund balance appropriation should be held at $800,000.00 plus $500,000.00 for unknown state mandated costs.

Vice Chairman Zachary made a motion to go into Closed Session pursuant to NCGS 143-318.11(a)(3)(4)(5)(6) for Legal, Economic Development, Property Acquisition and Personnel Matters. Commissioner Moxley second.
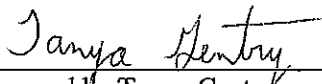**Vote: 5/0**

Upon returning from closed session, **Commissioner Welborn made a motion to authorize the County Manager to negotiate and enter into contract with Melvin and Powell to serve as Interim County Attorney from March 1, 2011 through June 30, 2011 for $5,000.00 a month, 20 hours at $200.00 an hour and 10 hours at $100.00 an hour to attend meetings. Commissioner Hemric second.**
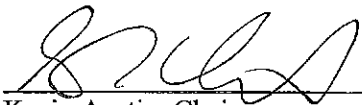**Vote: 5/0**

Commissioner Welborn made a motion to adjourn. Vice Chairman Zachary second.
Vote: 5/0

Tanya Gentry
Prepared by Tanya Gentry
Deputy Clerk to the Board

Kevin Austin
Kevin Austin, Chairman
Yadkin County Board of
Commissioners

_3/21/2011_
Date approved by the
Yadkin County Board of Commissioners